

The Phoenix Reborn

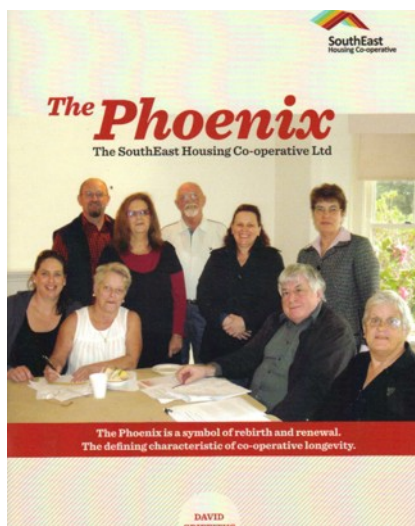
David Griffiths

2015

In 2011 David Griffiths was a Governance Adviser with the board of the SouthEast Housing Co-operative Ltd when the co-operative received a shock – a Government intervention order. In the last six months of 2015 Griffiths was Manager (Governance).

During the subsequent challenging period to survive the Government intervention over a 10 month period Griffiths worked closely with the board and the Chairperson Shirley Faram and Acting General Manager Ian McLaren.

This paper reflects on this experience by Griffiths as an insider. It is important that the experience is recorded and not forgotten.



The Phoenix - The SouthEast Housing Co-operative Ltd is a 64 page booklet about the history of a housing co-operative based in Dandenong, Victoria, Australia, written by David Griffiths and published by the co-operative in 2010.

It was not long after publication of The Phoenix that the co-operative's survival was threatened both internally and externally. The co-operative survived the challenges and the Phoenix was reborn again and it would be useful to consider what threatened the co-operative, why it was threatened, and how the co-operative responded to continue. The purpose of this recollection is to provide a clear understanding of what happened so that history does

not repeat itself in the future and this requires a clear analysis of the circumstances at the time.

The concluding paragraph of The Phoenix included this observation: "Whatever the future of SEHC, its survival over a 25-year period as a co-operative, reflecting and reinforcing co-operative values and principles, has demonstrated a critical capacity and willingness to adapt and change, and is a tribute to the commitment of past and present members and those who have served the co-operative as office-holders and staff."

Creating History

The SouthEast Housing Co-operative Ltd. is a registered housing provider in the Australian State of Victoria. The co-operative was established in 2000 and registered on 21 November 2008. According to the Annual Report 2010-11, at 30 June 2011 total revenue was \$1,555,207 and total equity was \$3,155,776. The co-operative manages 160 properties –

150 managed for the Victorian Government and 10 owned outright by the co-operative. There were 160 members and 405 people were being housed – including 171 children. There are six staff. The board has nine directors – seven member and two non-member directors. At the 30 June 2011 there were six directors in office and three vacancies – five females and one male.

SouthEast is the largest of eight independent rental housing co-operatives. At 30 April 1990 there were 19 independent Rental Housing Co-operatives. Rental housing co-operatives are self-managed by the tenant members,

In 2012 there were 2517 rental housing co-operatives throughout Victoria – eight independent rental housing co-operatives and 120 rental housing co-operatives within Common Equity Housing Ltd. Co-operators – Co-operation and Co-operatives reported that combined there were 2517 properties, 2416 members, 6068 people, \$513,308,000 in assets and a turnover of \$15,179,000.

SouthEast Housing Co-operative Ltd created history by becoming the first registered agency or association to be subject to an intervention order by the Housing Registrar. It is a disquieting milestone that will uniquely belong to the co-operative forever.

The intervention order created an opportunity, and necessity, for the co-operative to once more adapt and change – and continue to reflect and reinforce co-operative values and principles.

The board of the SouthEast Housing Co-operative Ltd received a letter dated 13 January 2011 **from Ken Downie** Registrar of Housing Agencies using powers under Sections 132 and 100 of the Housing Act 1983 directing the co-operative to consult with DHS and tenant members on the creation of a revised lease and subsequently demonstrate that the instruction had been met. Following the letter the Registrar of Housing Agencies, Housing Registrar Anthony Hardy attended a board meeting on 28 January 2011 and the board advised him that SouthEast would comply with the directive. The Governance Adviser David Griffiths spoke first in reply to Anthony Hardy – assuring him that the board would comply with the directive. Griffiths had assumed that a quick response was necessary and that his response would establish the framework for any subsequent comments by the co-operative's General Manager and directors. It did and Hardy expressed his satisfaction with the response and decision – perhaps surprise with the quick compliance agreement.

The intervention followed an examination by Housing Registrar staff of approximately 400 pages of documents – including meeting agendas, minutes and reports associated with the new lease. These had been requested of and provided to the Housing Registrar by the General Manager Greg Flynn.

The co-operative's General Manager subsequently resigned and the co-operative's part-time Chief Financial Officer Ian McLaren was appointed Acting General Manager – to assist the board to work through the intervention. McLaren had joined the staff on the 10 May 2010. On the 1 February 2011 he was appointed as the co-operative's new General Manager.

The reason for the intervention order by the Housing Registrar was that a new lease ("the 2010 Lease") had been developed and issued to members of the co-operative by the co-operative for their signatures – without prior consultation with members or the Department of

Human Services which owned the majority of properties managed by the co-operative. Prior to the issuing of the “2010 Lease” members had complained to the General Manager and the board but did not consider their concerns were being addressed and decided, therefore, to take their concern to both the Department of Human Services and the Housing Registrar. Unlike the General Manager and the board, the Housing Registrar was concerned and this is why an intervention order was issued.

General Manager Greg Flynn had obtained legal advice on the legality of the “2010 Lease” and the board was aware of this and it seemed at the time to be a prudent course of action and the General Manager would have considered this a prudent course of action. The board was being advised by the General Manager about the development of the “2010 Lease” and its subsequent issue to members and was not involved in endorsing the “2010 Lease” but did not raise any concerns about the “2010 Lease”. In retrospect, it could be argued that the General Manager should have better informed the board about the risks involved in developing an issuing a “2010 Lease “ without consultation but it believed and/or assumed that it was not necessary and legal advice had been obtained to ensure the legality of the “2010 Lease”. This is, of course, difficult when there were no perceived risks. But, then, it could equally be argued that the board should have asked more questions about the development of the lease, anticipate any risks and taken ownership of the “2010 Lease” – either formally endorsing or not the “2010 Lease”. For some directors, at least, the “2010 Lease” was an operational consideration and, therefore, the board should not interfere in the domain of the manager.

There were some specific additional difficulties with the “2010 Lease”:

It ignored that a significant number of members had signed a 2004 renewable leases and had a legal right to be offered and accept a renewal of their existing lease. This co-operative should have offered to renew these leases in 2009 but chose not to and the board was ignorant of this decision.

The “2010 Lease” had an additional attached document for members to sign – Schedule 1 Licence which requested members to separately sign an agreement to any redevelopment of their properties as determined by the co-operative.

There had been warning signs for the general Manager and the board with some members expressing their concerns initially within the co-operative and subsequently to the Housing registrar and the Department of Human services about:

The type of lease offered – reviewable rather than renewable.

Whether the new lease threatened tenant member security of tenure.

The dual occupancy licence that tenant members were being asked to sign.

The process of developing the “2010 Lease” without consultation with members.

Interpersonal Relationships

Anthony Hardy also had another requirement and this was for the co-operative to work with big brother or mother Common Equity Housing Ltd Managing Director John McInerney. The agreed basis of this relationship were to be subject to the approval of Hardy. While CEHL was not and is not a co-operative, it manages and supports approximately 200 independent co-operatives and the board and its Managing Director were committed to co-operative values and principles and the continuation where practical of independent housing co-operatives. This mentoring role was not a burden for the SouthEast Housing Co-operative Ltd because personal relationships based on trust already existed with John McInerney General Manager Ian McLaren and Chairperson Shirley Faram.



Left to Right: Shirley Faram, Ian McLaren and John McInerney

Belated Questions

At a board meeting on 25 February 2011 the Governance Adviser suggested these were the sort of questions the board should be asking to establish for itself what was decided and by whom:

1. Why did the board accept the advice of the GM that a solicitor should be instructed to prepare a new lease?
2. Did the General Manager advise the board why this was necessary and provide a submission to the board including canvassing potential changes?
3. Did the board seek information and documentation from the GM why a new lease was necessary and what changes might be made?
4. Did the GM provide the board with the briefing he provided to the solicitor?
5. Did the board seek a copy of this briefing from the GM?
6. Why didn't the board adopt a formal resolution on the engagement of a solicitor to prepare a new lease?
7. Did the GM ask the board to adopt a formal resolution on engaging a solicitor?
8. When the new lease was tabled at a board meeting was there documentation from the GM which identified changes from the old to the new lease?
9. Did the board requested documentation from the GM that identified these changes?
10. In presenting the new lease, did the GM identify any 'controversial' changes and were these documented?
11. In examining the new lease did the board ask the GM to identify 'controversial' changes and document these?
12. In examining the new lease did the board identify any 'controversial changes and, if not, why not?
13. Did the Gm request the board to adopt the new lease by resolution?
14. Why didn't the board adopt a resolution on the new lease?
15. Did the GM advise the board that the new lease satisfied DHS requirements?
16. Did the board ask the GM whether the new lease satisfied DHS requirements?
17. Did the GM propose that the new lease be referred to DHS for feedback?
18. Why didn't the board suggest the new lease be referred to DHS for feedback?
19. Did the board attempt to verify that the new lease met DHS requirements?
20. Did the GM recommend that the new lease be circulated to members for consultation?
21. Why didn't the board decide that the new lease should be circulated to members for consultation?
22. Did the board ask the GM about circulating the new lease to members for consultation?
23. Did the GM request that the board pass a resolution to adopt the new lease?
24. Why didn't the board pass a resolution to adopt the new lease?
25. Did the GM provide the board with a communications strategy for explaining the new lease to members?
26. Did the board request the development of a communications strategy to explain the new lease?
27. Did the board consider what information should be provided to members on the new lease at general meetings and in Housing Futures?
28. Who decided what information would be provided?
29. Does the board consider that information provided was adequate?
30. Did the GM raise with the board how the complaints process was resolving complaints about new lease?
31. Did the board ask how the complaints process was resolving complaints about the new lease?
32. Did the board seek to satisfy itself that that lease complaints were being investigated and mediated - rather than rebutted?
33. Did the GM advise the board that complaints about the new lease were a warning for the agency?
34. Did the board consider that these complaints about the new lease were a warning and that there were legitimate concerns or were they dismissed as complaints from a noisy minority?

While the questions were relevant, they would have been more relevant if referred by the Governance Adviser to the board before the “2010 Lease” was developed and issued. The board never did proceed to address the specific questions.

Democratic Process

By the board meeting on 28 January 2011, the Acting General Manager Ian McLaren and Governance Adviser David Griffiths had proposed for consideration by the board an extensive consultation process with members. This was developed in consultation with Chairperson Shirley Faram. The elements of the process were:

Consultation with members at meetings in geographical areas.

The formation of a Lease Sub Committee of the board to develop a 2011 Lease to replace the 2010 Lease

Submitting a 2011 Lease and any other recommendations to General Meetings of members for approval.

Introducing and publishing a Housing Lease Futures newsletter which reported on the development of a new lease and any associated activities.

Reporting on lease development issues on the co-operative's web site sehc.org.au

The detailed process envisaged was:

Prepare New Lease

Prepare brief

Brief considered by LC/GP

Brief considered by board

Solicitor commissioned

Solicitor consults DHS

Solicitor prepares draft lease and liaises with GM and LC/GP

Draft lease prepared and solicitor refers to DHS

Draft lease with LC/GP after any necessary amendments from DHS

Draft lease considered by board

Draft lease circulated to members

Member feedback to LC/GP

If necessary, member feedback to solicitor

Any revisions as a result of member feedback referred to DHS

Member feedback to board

Board approves final lease for circulation to members

We Were Wrong

In the first issue of Housing Lease Futures Vol 2 Issue 1 11 March 2011 the board announced on page 2 without equivocation:

WE WERE WRONG

While most members have signed the new lease, we were wrong in forwarding the new lease and we apologise for this error of judgement.	was an incorrect assumption.	lease. These are outlined on p 3.
First, the board did not ensure that the new lease issued in June 2010 was acceptable to DHS. The new lease was not referred to DHS. Instead, it was assumed that it was acceptable and that DHS would not object. This	Second, we assumed that as the new lease was prepared by a solicitor compliant with the Residential Tenancies Act and the Housing Provider Framework was sufficient. But legal compliance is not sufficient as we manage the properties for DHS. While DHS has not queried the legality of the new lease, they have queried three conditions in the	Third we were wrong in attaching a licence about dual occupancy. This is being withdrawn.
		Finally, we did not engage in a thorough consultation process with members on the new lease. We had assumed that the new lease was not controversial. This is now being rectified in the consultations process on a revised lease.

It was an apology without ifs and buts.

Member Lease Meetings

Four lease meetings were organised in four geographical areas where the co-operative had houses. The meetings were attended by 72 members – 45% of the membership.

7:05 to 8: 07 pm 11 April 2011
Arrabri Community House, Bayswater North

7:05 to 8: 15 pm 6 April 2011
Samuel Sherlock Hall, Frankston

7:10 to 9:05 pm 4 April 2011
Bayside Community Health Centre, East Bentleigh

7:10 – 8:31 pm 18 April 2011

Huntingdale

The following directors and staff were in attendance at all meetings:

Shirley Faram, Chairperson
Jan Dickson, Director
Ian McLaren, General Manager
David Griffiths, Governance Adviser
Joy Haines, Tenancy Officer.

While the board had agreed to maximise director attendance at the meetings, there was minimal attendance by directors. Most directors did not attend the meetings. Independent director Louise Kloot attended the East Bentleigh meeting and Natalie Leddick and Andrea Lee attended the meeting. For most directors, however, the decision was to keep out of meetings and the anticipated sometimes fiery comments of members. The meeting varied in temperament from the members. Moorabbin was perhaps the fiercest but, then, it was the Moorabbin members who had a renewable lease and, therefore, a right to be offered the opportunity to renew their existing leases.

Minutes of each meeting were prepared and issued to members living in the geographical areas of the meetings. Members at the meetings were asked to nominate representatives to a Lease Sub Committee.

Housing Lease Futures

There were four special editions of a newsletter called Housing Lease Futures.



Housing Lease Futures was published by the co-operative throughout the period of the Intervention order to keep members informed and focussed on the consultation about and adoption of a 2011 Lease.

Lease Sub Committee

A Lease Sub Committee of the board's Governance and Policy Committee was established to develop a 2011 Lease.

The board accepted a GP recommendation that the Lease sub-committee of Governance and Policy comprises the members of the Governance and Policy Committee and one representative each from the three area meetings with the area meeting representatives entitled to the same travel cost and caring cost procedures and reimbursements for each Lease sub-committee meeting.

There were nine members of the Lease Sub Committee:

Non Director Members	Director Members	Staff
5	2	2

The Lease Sub Committee met on 15 April 2011, 6 May 2011, 13 May and on 3 June 2011. The Committee's work was facilitated by a lease comparisons document which compared five leases

Common Equity Rental Co-operative Program Standard Terms

SEHC June 2010 Lease

SEHC 2004 Lease

Department Human Services Residential Tenancy Lease

Residential Tenancy Agreement Consumers Affairs Victoria

Member General Meetings

There were three General Meetings of members – 9 May 2011, 25 July 2011 and 21 November 2011.

A General Meeting on 9 May 2011 with 67 members in attendance was chaired by Carol Fountain, Chair of Common Equity Housing Ltd, and was addressed by Anthony Hardy and John McInerney. The meeting endorsed two resolutions – that members should be offered renewable leases and that a public record of board meetings should be available for members.

A General Meeting on 25 July 2011 adopted the proposed 2011 Lease – 39 votes for the lease and agreed to amendments to the Member Manual including incorporation of the existing Complaints Policy and established a member-based Working Party to develop a member newsletter and the future role of Member Forums. The 2011 Lease was to be voluntary for members, subject to feedback from DHS and would, then, be resubmitted to the co-operative's Annual General Meeting on 21 November 2011.

The SEHC Annual General Meeting was held at the Dandenong Club between 7:14 - 8: 20 p.m. on 21 November 2011 with 43 members in attendance. The Chairperson proposed that the following resolution be adopted:

The proposed 2011 Lease prepared by the Lease Sub Committee and endorsed by the board on the 24 June 2011 be adopted by the members.

The resolution was adopted.

Democratic Outcomes

On 5 October 2011 Anthony Hardy, Registrar of Housing Agencies, advised SouthEast of the withdrawal of instruction issued under Section 132 (2) (a) of the Housing Act 1983 (the Act) and remedy of complaint directive issued under s 100 of the Act.

On 18 October 2011 the Registrar of Housing Agencies Anthony Hardy wrote an open letter to members of the SouthEast Housing Co-operative Ltd advising that the intervention had been lifted. Hardy's letter was published in full in the October 2011 issue of Housing Futures – the ongoing newsletter of the co-operative. Housing Lease Futures was no longer required.

Housing Registrar intervention was initiated when members complained to the Housing Registrar and the Department of Human Services about the action of the co-operative's manager and board.

This action of members was, of course, in defiance of co-operative values and principles for it threatened the autonomy and independence of the co-operative by inviting government interference.

But, then, those who invited government interference could argue that they had attempted to resolve the issue within the co-operative but both the General Manager and the board had rebuffed the need to resolve the issue about leases and, therefore, it was a last resort action to force the General Manager and the board to change. While it may have been a last resort, it was also risky inviting government intervention with the history of government indifference and/or hostility to the housing co-operative model and this approach by members could have reinforced this indifference and/or hostility.

Critical to the survival of the co-operative was the interpersonal relationships between the Housing Registrar and the Managing Director of CEHL, between the Managing Director of CEHL and the new General Manager of South East and the between the Managing Director of South East and the General Manager of South East with the Chairperson of SouthEast. These interpersonal relationships were critical because trust and integrity going forward was critical to the survival of the co-operative.

A co-operative is a democracy which means that it can become noisy and turbulent and managers and boards can make decisions which are opposed by members for right and wrong reasons. In the case of the issuing of the 2010 Lease it was a wrong decision because neither members nor DHS had been consulted prior to the lease being distributed to members.

The process led to improvements in the governance policies and practices of the co-operative and the development of a Services Charter. The co-operative had been refusing to maintain and repair "non-standard" items such as air conditioners. This was contrary to the Residential Tenancies Act which does not recognise the concept of non-standard items. The

Act required landlords to maintain and repair items on a property and the co-operative had not been doing this for items regarded as non-standard. The distinction was incorporated within the co-operative's member Manual which is adopted and amended at Member General meetings. The fact that members had endorsed a Member Manual which incorporated the distinction did not change its illegality. It is surprising, however, that members of the co-operative did not see4k to raise this issue at preceding General Meetings. The Member Manual was amended to remove this error.

Public records of board meetings have been available to members, and the public, on the co-operative's web site since the 24 June 2011 board meeting. Up to 30 September 2015 there had been 289 views of the Public Records on the co-operative's web site.

Major policies and issues have been subsequently subject to member approval at General Meetings of the co-operative:

The Complaints Policy

The Strategic Plan

Key Performance Measures

These have been reinforced by subsequent Annual Reports issued by the co-operative in 2010-2011, 2011-2012, 2012-2013 and 2013-2014:



Each Annual Report has included:

Risk Management Plans

Strategic Plans with Priorities, Effective Indicators and Comments on the priorities and indicators

Key Performance targets and indicators over a period of years and compared with similar agencies.

It is a level of detail and explanation not provided by other registered housing providers and associations. The emphasis has, therefore, been on increased accountability and transparency to members through providing information that enables members to read and judge the performance of the co-operative – instead of empty public relations declarations that evoke good feelings about the co-operative but are devoid of substance and

commitment. Time will tell whether this commitment lasts or there is a retreat into a preference for public relations Annual Reports that are glamorous and pretty and superficial with - less accountable and transparent and, therefore, less democratic.

To return to the concluding paragraph of The Phoenix: "Whatever the future of SEHC, its survival over a 25-year period as a co-operative, reflecting and reinforcing co-operative values and principles, has demonstrated a critical capacity and willingness to adapt and change, and is a tribute to the commitment of past and present members and those who have served the co-operative as office-holders and staff." Between 2010 and 2011 the co-operative departed from and returned to co-operative values and principles – continuing to adapt and the phoenix was reborn

Looking Backward 2010–2011

The Housing Registrar's intervention instructions came on the 14 January and 18 February 2011 and were subsequently lifted on 5 October 2011.

THE CAPACITY AND WILLINGNESS of the board to cope with the challenge of the intervention has been critical.

It was a year of moving forwards and backwards—going backwards with the disputes with members and DHS about the lease and the subsequent intervention by the Housing Registrar.

But, SouthEast was also going forward—maintenance and tenancy services continued to be provided at a high standard and the financial management of the co-operative continued to be robust and a surplus of \$193,080 was generated at the end of the financial year.

A continuing strength of SouthEast is the attendance of members at general meetings—averaging between 35–45%. While we would like to increase attendance at meetings, it is a mistake to lament this as evidence of a declining membership commitment when it is compared with others e.g. 1–3% for 17 mutual's recently surveyed.

Governance processes are being reviewed and strengthened and the board has initiated a process of improving relationships with all members through increased transparency

and accountability e.g. a public record of board meetings and more board news in Housing Futures. This process began in early 2011 and is continuing.

The board began the process of establishing a comprehensive set of organizational performance standards which will be critical to enable members to judge the performance of the co-operative. Some performance standards are included in this Annual Report. The full set of standards will be included in next year's report.

A 2011 Lease was endorsed by a general meeting of members on the 25 July 2011—after being developed by a Lease Sub Committee with directors and other members. The board is grateful to the members of the Lease Sub Committee for their substantial contribution to the development of the 2011 Lease— Shirley Faram, Joy Haines, Melinda Johnstone, Natalie Leddick, Ian McLaren, Andrea Lee, Andrea Lennon, Greg Nolan, Michaline Sweeney, Maggie Tucker and Terry Brown.

Going backward and forward was also illustrated by the departure of Greg Flynn as General Manager and the appointment of his replacement Ian McLaren at the beginning of 2011.

Extracts from the SEHC Annual Report 2010-2011 (p 5) reflecting on the intervention. Above the co-operative's comments and below the observations of Anthony Hardy. The date on Hardy's comment is puzzling – as apparently made subsequent to the publication of the Annual Report. The date should have been 2011 – not 2012.



“Having been party to a number of review meetings and having had sight of the final joint report I am pleased with the professionalism that both the board and staff of SouthEast have displayed in resolving the issues the organization was facing. The positive outcomes that have been achieved are largely due to the commitment of both parties and your willingness to work constructively with CEHL.”

ANTHONY HARDY
Registrar of Housing Agencies
5 October 2012

Attachments

Lease Timelines

SouthEast Housing Co-operative Ltd Profile as of 1 September 2014

Member Lease Meeting Feedback

Services Charter

Anthony Hardy, Registrar of Housing Agencies speech at SouthEast
AGM 18 November 2013

Further Reading

Lease Timelines

21 November 2011 SEHC Annual General Meeting of 43 members endorses 2011 Lease and changes to Member Manual

18 October 2011 Anthony Hardy writes an open letter to members advising that the intervention order had been lifted

5 October 2011 Letter from Anthony Hardy, Registrar of Housing Agencies, advising SouthEast of the withdrawal of the intervention order issued under Sections 132 and 100 of the Housing Act 1983.

25 July 2011 General Meeting of 45 members adopts proposed 2011 Lease and amendments to Member Manual including inclusion of existing Complaints Policy

24 June 2011 SEHC board endorses 2011 Lease to be submitted to AGM

3 June 2011 Lease Sub Committee meeting

13 May Lease Sub Committee meeting

9 May 2011 General Meeting of 63 members receives a progress report including resolutions adopted at three of the four member meetings

6 May 2011 Lease Sub Committee meeting

15 April 2011 Lease Sub Committee meeting.

11 April 2011 Consultation meeting with members, Bayswater

6 April 2011 Consultation meeting with members, Frankston

4 April 2011 Consultation meeting with members, Moorabbin

22 February 2011 VCAT rules in favour of SouthEast tenant member arguing that a 2004 Lease should have been renewed

18 February 2011 letter to SouthEast from Ken Downie, Registrar of Housing Agencies

9 February 2011 letter to SouthEast from Anthony Hardy, Director, Housing Registrar

8 February 2011 letter from SouthEast to Ken Downie, Registrar of Housing Agencies.

1 February 2011 SEHC meets with DHS on Lease Consultation

28 January 2011 Housing Registrar Anthony Hardy attends a board meeting

13 January 2011 intervention order letter from Ken Downie Registrar of Housing Agencies

17 December 2010 Board endorses a Lease Consultation process

SouthEast Housing Co-operative Ltd Profile

1 September 2014

Name: SouthEast Housing Co-operative Limited

Registration Category: Housing Provider

Registration Date: 21 November 2008

Agency contacts

General Manager: Mr Ian McLaren

Chairperson: Ms Shirley Faram

Address: The Hub, Plaza Business Centre

Level 3, 26 to 36 McCrae St. (Palm Plaza)

Dandenong 3175 (PO Box 7141)

Office phone number: (03) 9706 8005

Twitter: <https://twitter.com/SEHCOOP>

Website: www.sehc.org.au

Key Statistics as at 30 June 2013

Members: 160

Members and their families: 440

Housing properties under management: 160

Long Term - 160

Properties in agency ownership: 10

Staffing: Total - 6 Total EFT - 5.5

Assets: Total as at end of 30 June 2013 - \$3,868,749

Annual turnover for year ended 30 June 2013: \$1,725,047

Operational surplus for previous financial year 30 June 2013: \$253,976

Scope of operations

Housing: Long term affordable housing for low income households.

Profile of housing portfolio

Properties are mainly in Bentleigh East, Cheltenham, Clarinda, Clayton, Croydon, Frankston, Mooroolbark and Oakleigh.

Agency history

SouthEast was founded through the merger of the Ringwood/Croydon, Oakleigh and Frankston Co-operatives in 2000.

The Moorabbin Rental Housing Co-operative ceased trading and became part of the organisation in 2004. SouthEast is the largest Rental Housing Co-operative in Victoria.

Legal structure

SouthEast Housing Co-operative is incorporated under the Co-operatives National Law Application Act 2013 No 9 of 2013

Member Lease Meeting Feedback

Feedback from members who attended member meetings.

Member Meeting Evaluation 7:05 to 8: 07 pm 11 April 2011
Arrabri Community House, Bayswater North

Member Meeting Evaluation 7:05 to 8: 15 pm 6 April 2011
Samuel Sherlock Hall, Frankston

Member Meeting Evaluation 7:10 to 9:05 pm 4 April 2011
Bayside Community Health Centre, East Bentleigh

Member Meeting Evaluation 7:10 – 8:31 pm 18 April 2011 Huntingdale

52 forms were returned from **72** participants at the meetings – a return rate of **72%**

Two responses for the first three questions could not be categorised and, therefore, percentages do not add up to 100%.

Q. Was the information circulated before the meeting:

Category	Total	Bayswater	East Bentleigh	Frankston	Huntingdale
Very Helpful	14 (27%)	3	5	5	1
Helpful	21 (40%)	6	9	6	
Adequate	13 (25%)	2	10	1	
Unhelpful	1 (2%)	0	1	0	
Very Unhelpful	1 (2%)	0	1	0	
			1 Other one sided 1 Adequate and unhelpful		

Q. Was the presentation at the meeting:

Category	Total	Bayswater	East Bentleigh	Frankston	Huntingdale
Very Helpful	11 (21%)	3	3	4	1
Helpful	22 (42%)	7	9	6	
Adequate	16 (31%)	1	13	2	
Unhelpful	1 (2%)	0	1	0	
Very Unhelpful	0	0	0	0	
Other	0		1 Adequate and Unhelpful 1 No QAnswer		

Q. Was the discussion at the meeting:

Category	Total	Bayswater	East Bentleigh	Frankston	Huntingdale
Very Helpful	20 (38%)	6	7	6	1
Helpful	21 (40%)	4	11	6	
Adequate	8 (15%)	1	7		
Unhelpful	1 (2%)	0	1	0	
Very Unhelpful		0	0	0	
Other	0		1 Adequate and unhelpful 1 No answer		

Q. Was the venue for the meeting:

Category	Total	Bayswater	East Bentleigh	Frankston	Huntingdale
Very Good	33 (63%)	7	20	5	1
Good	15 (29%)	4	7	4	
Adequate	3 (6%)	0	1	2	
Poor	0	0	0	0	
Very Poor	1 (2%)	0	0	1	

Q. Was the location for the meeting:

Category	Total	Bayswater	East Bentleigh	Frankston	Huntingdale
Very Good	42 (81%)	10	24	7	1
Good	9 (17%)	1	4	4	
Adequate	0	0	0	0	
Poor	0	0	0	0	
Very Poor	1 (2%)	0	0	1	

Q. What is your overall rating of the meeting:

Category	Total	Bayswater	East Bentleigh	Frankston	Huntingdale
Very Good	20 (38%)	8 (73%)	5 (18%)	6 (50%)	1 (100%)
Good	19 (37%)	3 (27%)	11 (39%)	5 (42%)	
Adequate	10 (19%)	0	9 (32%)	1 (8%)	
Poor	2 (4%)	0	2 (7%)	0	
Very Poor	1 (2%)	0	1 (4%)	0	
	52	11	28	12	1

The Services Charter

The Services Charter was adopted at a General Meeting on 21 November 2011.

Services Charter

Our Mutual Roles and Obligations

Our Mission Statement

To increase and provide secure, affordable and environmentally sustainable long term community housing managed by and for low income people that delivers excellent services to improve the quality of housing of residents.

SouthEast and members are expected to be honest, fair, courteous, helpful and reasonable and to comply with the *Co-operatives Act*, the Rules, *Residential Tenancies Act*, *Privacy Act*, and SouthEast's Member Manual and the International Co-operative Alliance's principles.

Our Services

SouthEast is committed to security of tenure for all members and is also committed to accountability and transparency in service provision through:

keeping the membership informed through the newsletter, General Meetings, Member Forums, our web site and other methods as required;

consulting with members on significant matters affecting the co-operative and/or tenancy

submitting significant changes to the co-operative and/or tenancy to a general meeting of members

providing a high quality service which will be continually improved;

notifying members in advance regarding inspections and trades people visits;

developing, maintaining and publicly releasing organisational performance indicators

endeavoring to answer requests on the spot and respond to enquiries within two working days; and

having the office staffed 8.30am to 5.00pm during working days.

Our Members

We ask that our members accept the obligations of membership and the autonomy and independence of the co-operative through

advising SouthEast in writing of any change in tenancy details;

maintaining their property in good order

paying rent on time

not performing works at their property that is not in keeping with the requirements of the *Residential Tenancies Act* and the *SouthEast Member Manual*;

letting us know if requiring an interpreter;

being available at agreed times for inspections and trades people visits;

understanding and respecting the legal compliance requirements of SouthEast

attending meetings of members; and

providing and completing all relevant SouthEast tenancy data information and all surveys.

advise if you have a complaint, provide the date and times of the circumstances you wish to complain about and specify how you would like to see the complaint resolved

ANTHONY HARDY, REGISTRAR OF HOUSING AGENCIES SPEECH AT SOUTHEAST AGM 18 NOVEMBER 2013

The speech was printed in the SouthEast Housing Co-operative Annual Report 2014, pp. 25
- 26

Good evening everyone and thanks for the opportunity of being here tonight to say a few words.

I know many speakers say they are going to be brief and then go on for ages and ages but I can assure you I will be brief – no more than at least an hour. Or more if I get an encore!

Don't worry that's a joke.

I did however ask Ian McLaren if there were any particular points he thought I should cover and he kindly sent me a very useful list of questions. Some of which I will be answering tonight. So it may be an hour, you never know.

The first one was who I think will win the Ashes this year.

Well even though I am a Australian Citizen I am still a Pom. Which I think answers that question. I am sure it will be an exciting contest and the best team will win. And they are English.

I am conscious your excellent Annual report says towards 2022. But before we get our crystal balls out and gaze into the future it is worth reflecting on what the sector has done.

We now have 44 registered housing agencies in Victoria who own and manage over 18, 000 homes. These properties are worth over \$2.5 billion and the sector employs over 1200 people. We have seen sustained growth over the years but this has tailed off to a certain extent recently but not disappeared

completely as you know in some organisations such as your own, with the plans for new homes at First Street.

Most importantly performance measured by the Housing Registrar has not declined and there has been a high level of satisfaction from tenants.

From time to time the Housing Registrar has had to raise an eyebrow but that's the whole idea behind the regulatory framework – finding problems and fixing them.

I know the big question and one that Ian raised with me and he's not alone in posing this question is where next? I regret I am not in a position to answer that question as we are still waiting the outcome of Victoria's Social Housing Framework. I like you can only hope that there will be an answer soon.

But given the success of the sector over the years I am sure that housing associations and housing providers will have an important role to play, as you do at the moment.

Another big question knocking about is the proposed National Regulatory System and Victoria's position.

We took part in the Phase 1 pilot and were grateful to HCA, Home Ground and St Kilda for joining us in this pilot and allowing us to use them as guinea pigs. We are waiting on the final national evaluation of the pilot. I think that the impact on those agencies that were involved was not as great as was imagined. I have been doing a lot of work to try and make sure that our regulatory framework has had a major influence on the NRS so if we do join than I hope that the change, of which there will be some, will be limited. Watch this space is all I can say and I am committed to keeping everyone up to speed with what may happen.

I can see its been another important year for South East as your Annual Report explains.

Your work and reputation with the Housing Registrar is very good, you have moved onto the new DHS General lease which reinforces your financial position allowing you to put money aside for improvements. I see high levels of satisfaction from tenants and good performance results all round, so well done. You also held workshops to improve your governance which is to be commended.

And you have looking at how you can build more homes in the First St project in partnership with CEHL and DHS.

I am pleased to see the strategic partnership with CEHL is continuing to be of benefit and this I think is a very good example of meaningful and effective co-operation between co-operatives. I am sure many in the room know more about the ethos and principles of the co-operative movement.

One thought has struck me is that whilst your organisation is founded on these principles and your members draw so many benefits from you as a co-op could there not be more co-operation between co-operatives?

All housing co-operatives are registered as providers and that's not something that can easily be taken away. But is there more scope for all co-operatives to work more closely. That's not to say this is or should be a regulatory requirement but in the current climate is there more to be gained by working more closely together, informally but formally as you have done with CEHL?

Food for thought.

Ian also asked me what I saw as the future for small providers and in particular housing co-ops. Well again it's a difficult

question, but I think that the move to the new DHS General Lease and the improved financial opportunities it gives you will enable you to reinforce the benefits you bring, to maintain the existing stock well and hopefully see some prudent growth – but again that's a decision for you and not a regulatory requirement.

Some eight years ago I was about to make the big leap and move to this wonderful country. Not surprisingly I came with some baggage. The majority of which was all put into a 40 foot shipping container and shipped out here.

But I have to admit that as a regulator of a number of years with the Housing Corporation my experience of dealing with registered co-ops was not good. I had seen and had to deal with some very dysfunctional co-ops in my time.

So you can imagine that I came with a certain degree of trepidation and also an opinion I have to admit that verged more on the negative. But I would like to thank South East Housing co-op for changing that view over the years. Now that's not to say we have not had our difficulties, but we have worked through them in an open transparent and effective way.

What I see now is an organisation that holds its co-operative principles very close to its heart which it should, but also one that gets on and does a good job for its tenants and in looking after a number of properties for the Director of Housing. One that is also well placed for the future.

Long may that commitment to good service to tenants, good governance and sound financial and service performance continue.

Well done and I look forward to 2022 and all it brings on the way.

Further Reading

The co-operative's newsletters, minutes of Annual General Meetings and public records of board meetings are available and can be downloaded from the co-operative's web site:

<http://www.sehc.org.au>

Annual Report 2010-2011, 2011-2012, 2012 – 2013, 2013 – 2014, 2014 – 2015 and 2015-2016

General Meeting Minutes 9 May 2011, 25 July 2011 and 21 November 2011

Griffiths, David The Phoenix - The SouthEast Housing Co-operative Ltd, 2010

Housing Futures – Vol 1 Issue 3 October 2011

Housing Lease Futures – Vol 1 No! March 2011, Vol 1 Issue 2, 19 April 2011, Vol 1 Issue 3 10 May 2011 and Vol 1 Issue 4 27 May 2011

Griffiths, David (Ed) Co-operators – Co-operation and Co-operatives, SouthEast Housing Co-operative Ltd, 2012

Griffiths, David The Phoenix - The SouthEast Housing Co-operative Ltd, 2010

Housing Registrar Annual Reviews of southeast Housing Co-operative Ltd, 2012-2014
The co-operative has uploaded these reviews to its website. Reviews of other registered providers and associations are not publicly provided.

Member Manual – Rights and Responsibilities, 19 October 2012

Public Records of board meetings have been approved at subsequent board meetings for uploading to the co-operative's web site. Public records were initiated from the 24 June 2011 board meeting. These public records refer to the intervention and the SEHC response. The most relevant are those for the following board meetings – 24 June 2011, 29 July 2011, 28 October 2011 and 25 November 2011.

Services Charter, 2011

SouthEast Housing Co-operative Ltd Rules, 17 November 2014

There are also these other sources of information:

Letters to and from Housing Registrar and SouthEast Housing Co-operative Ltd e.g. 13 January, 8 February, 9 February, 18 February, 13 April, 9 May and 16 May, 5 October and 18 October 2011. Copies in the co-operative's files and with the Housing Registrar.

Notes of Lease Sub Committee Meetings 15 April, 6 May, 13 May and 3 June 2011 – these were drafted by the Governance Adviser and the co-operative and members of the Committee have copies.

Member Geographical Area Meetings Minutes 4 April, 6 April, 11 April and 18 April 2011 – these were drafted by the Governance Adviser and the co-operative and members who attended the meetings should have copies.

SouthEast Housing Co-operative Ltd Board Minutes – between 2011 and 2015 these were drafted by the Governance Adviser and the co-operative and individual directors have copies. Minutes of board meetings are not available to members or the public. They are available individual directors and to the Housing Registrar.